a world of energy

PRESS RELEASE

Paris, April 28, 2017

FIRST-QUARTER 2017 RESULTS (unaudited)
GROWTH IN SALES AND IMPROVED PROFITABILITY
RETURN TO ORGANIC SALES GROWTH IN THE US
FULL-YEAR FINANCIAL TARGETS CONFIRMED

SALES OF €3,323m, UP 5.1% ON A REPORTED BASIS

- **Organic growth of 4.8%, including a strong positive calendar effect of 4.1% and a favorable copper effect of 1.2%**
- **On a constant and same-day basis, sales were up 0.6%, of which:**
  - Europe: +1.2%
  - North America: +1.2%, **supported by a return to growth in the US (+2.1%)**
  - Asia-Pacific: -4.8%, due to a sharp 33.6% drop in SE Asia, while China was up 2.0% and Australia up 0.8%

ADJUSTED EBITA OF €135m, UP 9.3%

- **Stable gross margin at 24.8% of sales**
- **Improved adjusted EBITA margin at 4.1% of sales (vs. 3.9% in Q1 2016)**
  - Stable in Europe at 5.7% of sales
  - Improvement in North America at 2.9% of sales (vs. 2.6% in Q1 2016)

STRONG INCREASE IN REPORTED EBITA, UP 27% AND NET INCOME, UP 62%

FULL-YEAR FINANCIAL TARGETS CONFIRMED

Key figures[1]	Q1 2017	YoY change
Sales	**€3,323.1m**	
On a reported basis		+5.1%
On a constant and actual-day basis		+4.8%
On a constant and same-day basis		+0.6%
Adjusted EBITA	**€135.0m**	**+9.3%**
As a percentage of sales	4.1%	
Change in bps as a % of sales	+17bps	
Reported EBITA	**€144.5m**	**+27.0%**
Operating income	**€129.8m**	**+39.6%**
Net income	**€62.8m**	**+61.6%**
Recurring net income	**€67.7m**	**+19.3%**
FCF before interest and tax	**€(206.6)m**	**vs. €(194.9)m**
Net debt at end of period	**€2,433.4m**	**-2.5%**

[1] See definition in the Glossary section of this document

Patrick BERARD, Chief Executive Officer, declared:

"Rexel's first-quarter performance was in line with our expectations.
Two elements are to be noted in our past quarter's performance: For the first time in several quarters, we posted organic sales growth on a constant and same-day basis with a simultaneous improvement in profitability. In addition, our sales in the United States returned to growth after seven consecutive quarters of organic decline on a constant and same-day basis.
These results confirm that the measures we are taking to revitalize organic growth and improve profitability are starting to show results.
We confirm our financial targets for the full year, as announced on February 13."

FINANCIAL REVIEW FOR THE PERIOD ENDED MARCH 31, 2017

- *Financial statements as of March 31, 2017 were authorized for issue by the Board of Directors on April 27, 2017. They were not audited by statutory auditors.*
- *The following terms: Reported EBITA, Adjusted EBITA, EBITDA, Recurring net income, Free Cash Flow and Net Debt are defined in the Glossary section of this document.*
- *Unless otherwise stated, all comments are on a constant and adjusted basis and, for sales, at same number of working days.*

SALES

In Q1, sales were up 5.1% year-on-year on a reported basis ; they increased by 4.8% on a constant and actual-day basis, including a strong positive calendar effect of 4.1% and a return to organic growth in the US (+2.1%)

In the first quarter, Rexel posted sales of €3,323.1 million, up 5.1% on a reported basis and 0.6% on a constant and same-day basis.

The 5.1% increase in reported sales included:

- A positive net currency effect of €37.2m (+1.2% of last year's sales), mainly due to the appreciation of the US and Canadian dollars against the euro for €46.8m, partly offset by the depreciation of the British pound for €(27.1)m;
- A negative net scope effect of €(26.0)m (-0.8% of last year's sales), mainly due to last year's divestment of our activities in Poland, Slovakia and the Baltics;
- A strong positive calendar effect of 4.1%;
- A positive copper effect of 1.2% of sales.

Europe (55% of Group sales): +1.2% in Q1 on a constant and same-day basis

In the first quarter, sales in Europe increased by 1.8% on a reported basis, including a positive calendar effect of 3.6%, a negative net scope effect of 1.6% (for €29.3m) and a negative currency effect of 1.2% (for €22.1m, mainly due to the depreciation of the British pound against the euro). On a constant and same-day basis, sales were up 1.2%.

Sales in most of our markets were in positive territory:

- Sales in **France** (37% of the region's sales) were up 0.6%, despite a very challenging base effect (2.5% in Q1 2016). Residential and non-residential end-markets posted slight growth, while sales to industry were slightly negative. Over the quarter, January was in negative territory and trends improved in February and March;
- Sales in **Scandinavia** (13% of the region's sales) were up 5.2%, driven by strong 13.8% growth in **Sweden**;
- Sales in **Germany** (11% of the region's sales) were up 3.4%, reflecting continued sales momentum;
- **Benelux** (9% of the region's sales) posted solid growth in both countries: sales in **Belgium** were up 10.7% and sales in **The Netherlands** up 8.3%;
- Two other countries were in positive or stable territory: **Austria** (4% of the region's sales), where sales were up 0.2%, and **Italy** (2% of the region's sales), where sales were stable.

However, sales dropped in three markets:

- In the **UK** (13% of the region's sales), sales were down 3.2%, which nevertheless represented a significant sequential improvement over the last three quarters of 2016. Sales continued to reflect adverse market conditions since the Brexit vote and an impact from lower sales of photovoltaic equipment, albeit more limited than in previous quarters: the drop in sales of photovoltaic equipment represented 1.3 percentage points out of the total 3.2% drop in sales;
- In **Switzerland** (6% of the region's sales) sales were down 3.8%, impacted by continued unfavorable market conditions;
- **Spain** (3% of the region's sales) posted sales drop of 16.1%, of which c. one quarter is attributable to reduced export activity and the remainder is attributable to sales force reorganization underway.

North America (36% of Group sales): +1.2% in Q1 on a constant and same-day basis

In the first quarter, sales in North America were up 11.8% on a reported basis, including a positive calendar effect of 5.6%, a positive currency effect of 4,3% (for €46.0m, due to the simultaneous appreciation of the American and Canadian dollars against the euro).

This is the first quarter of growth on a constant and same-day basis for the region since Q4 2014, driven by encouraging signs of sales recovery in the US.

- **USA** (79% of the region's sales) posted significant sequential improvement, with sales up 2.1% on a constant and same-day basis and 8.9% on an actual-day basis:
  - Part of this sequential improvement was due to the end of the negative impact from sales to the O&G industry. In Q1 2017, sales to the O&G industry were up 10.5%, contributing to about one quarter of the total 2.1% sales growth on a constant and same-day basis;
  - However, most of the sequential improvement was due to the first benefits from the measures implemented in the past few months in order to accelerate organic sales growth, notably in our branch networks. Sales at Platt were up 3.0% in the quarter and Rexel C&I posted strong double-digit growth of 11.1%;
  - Gexpro activities, conversely, were impacted by continued slowdown in the OEM segment.
- **Canada** (21% of the region's sales) was down 2.1% on a constant and same-day basis and 0.5% on an actual-day basis:
  - Contrary to the US, Canada continued to be impacted by lower sales to the O&G industry. In Q1 2017, sales to the O&G industry were down 25.7%, contributing to 2.3 percentage points of the total 2.1% sales drop on a constant and same-day basis;
  - Sales to the non-residential end-market grew by 3.1%, supported by the data/communication segment.

Asia-Pacific (9% of Group sales): -4.8% in Q1 on a constant and same-day basis

In the first quarter, sales in Asia-Pacific were up 1.3% on a reported basis, including a positive calendar effect of 1.8% and a positive currency effect of 4.4% (for €13.3m, mainly due to the appreciation of the Australian and New Zealand dollars against the euro). On a constant and same-day basis, sales were down 4.8%, reflecting contrasting situations:

- In **Asia** (48% of the region's sales) sales were down 8.8% on a constant and same-day basis, strongly impacted by South-East Asia, while China returned to sales growth.
  - In **South-East Asia** (19% of Asia) sales were down 33.6% on a constant and same-day basis, largely attributable to a drop in sales to the O&G industry;
  - **China** (72% of Asia) returned to growth with sales up 2.0% on a constant and same-day basis, reflecting increased sales of industrial automation products and solutions;
  - Sales in the **rest of Asia** (9% of Asia) were down 14.6% on a constant and same-day basis, with India up 18.6% and the Middle East down 42.2%, due to a sharp 64.1% drop in sales to the O&G industry.
- In the **Pacific** (52% of the region's sales), sales were slightly down (-0.7%) on a constant and same-day basis.
  - In **Australia** (82% of Pacific) sales were up 0.8% on a constant and same-day basis, reflecting strong sales to the residential end-market, partly offset by lower project sales;
  - In **New Zealand** (18% of Pacific) sales were down 6.7% on a constant and same-day basis, in the face of very challenging comparables (+6.6% in Q1 2016).

PROFITABILITY

Solid gross margin at 24.8% of sales
Adjusted EBITA margin improved at 4.1% of sales vs. 3.9% of sales in Q1 2016
Reported EBITA up 27.0% year-on-year

In the first quarter, gross margin was stable year-on-year at 24.8% of sales, with sequential improvement vs. Q4 2016 in all three geographies.

- In **Europe**, gross margin stood at 27.3% of sales. It represented an 80 basis-point sequential improvement but it was down 32 basis points year-on-year. About 20 basis points of this year-on-year drop were attributable to strong pressure on cables and another 10 basis points were attributable to margin pressure in the UK.
- In **North America**, gross margin stood at 22.4% of sales. It represented a 40 basis-point sequential improvement and a 29 basis-point improvement year-on-year. The year-on-year improvement was driven by solid performance in the US that more than offset the impact of competitive pressure in Canada.
- In **Asia-Pacific**, gross margin stood at 18.6% of sales. It represented an 80 basis-point sequential improvement and a 24 basis-point improvement year-on-year. The year-on-year improvement was driven by solid performance in Pacific that more than offset the drop recorded in Asia.

In the first quarter, distribution and administrative expenses (including depreciation) stood at 20.7% of sales vs. 20.9% of sales in Q1 2016. This year-on-year improvement was driven by improved performance in Europe, which posted a 29 basis-point improvement at 21.6% of sales, and North America, which posted a 2 basis-point improvement at 19.5% of sales, reflecting the net result of a slight improvement in the US while Canada was broadly stable. Conversely, in Asia-Pacific, distribution and administrative expenses (including depreciation) rose by 6.0% and represented 19.1% of sales vs. 17.4% of sales in Q1 2016. They increased by 3.3 million euros year-on-year, including a significant increase in bad debt in Asia (from €1.0 million in Q1 2016 to €2.4 million in Q1 2017) and the impact of recent investment in sales force in Australia.

As a result, adjusted EBITA margin in the first quarter stood at 4.1% of sales vs. 3.9% in Q1 2016. This net improvement reflected:

- Stable adjusted EBITA margin in Europe, at 5.7% of sales;
- Improved adjusted EBITA margin in North America at 2.9% of sales vs. 2.6% in Q1 2016, driven by the US performance;
- Lower adjusted EBITA margin in Asia-Pacific, where adjusted EBITA recorded a loss of 1.5 million euros in the quarter vs. a profit of 2.8 million euros in Q1 2016.

In the first quarter, reported EBITA stood at €144.5 million, up 27.0% year-on-year.

NET INCOME

Strong 62% increase in net income

Operating income in the quarter stood at €129.8 million, up 39.6% year-on-year.

- Amortization of intangibles resulting from purchase price allocation amounted to €4.9 million (vs. €3.9 million in Q1 2016);
- Other income and expenses amounted to a net charge of €9.8 million (vs. a net charge of €16.9 million in Q1 2016). They included €7.6 million of restructuring costs (vs. €13.6 million in Q1 2016).

Net financial expenses in the quarter amounted to €33.7 million (vs. €33.2 million in Q1 2016). Q1 2017 included a one-off charge related to refinancing operations of €(6.7)million. Excluding that impact, net financial expenses stood at €27.0 million vs. €33.2 million in Q1 2016. This decrease largely reflected a lower average effective interest rate on gross debt of 3.23% (vs. 3.81% in Q1 2016).

Income tax in the quarter represented a charge of €33.3 million (vs. €20.9 million in Q1 2016). The increase is mainly due to higher profit before tax. The effective tax rate stood at 34.7% (vs. 35.0% in Q1 2016).

Reported net income in the quarter was up 61.6%, at €62.8 million (vs. €38.8 million in Q1 2016).

Recurring net income in the quarter amounted to €67.7 million, up 19.3% from €56.7 million in Q1 2016 (see appendix 2).

FINANCIAL STRUCTURE

Free cash-flow generation impacted by traditional seasonality
Slight decrease in net debt year-on-year

In the first quarter, free cash-flow before interest and tax was an outflow of €206.6 million, reflecting the traditional seasonality of the business (vs. an outflow of €194.9 million in Q1 2016). This net outflow included:

- Gross capital expenditure of €21.0 million (vs. €26.6 million in Q1 2016);
- An outflow of €328.7 million from change in working capital (vs. an outflow of €287.1 million in Q1 2016).

At March 31, 2017, net debt stood at €2,433.4 million (vs. €2,495.6 million at March 31, 2016). Net debt was reduced by €62.1 million. It took into account:

- €25.8 million of net interest paid during the quarter (vs. €31.6 million in Q1 2016);
- €24.2 million of income tax paid during the quarter (vs. €20.3 million in Q1 2016);
- €1.9 million of net financial investments during the quarter (vs. €89.4 million in Q1 2016);
- €3.9 million of positive currency effect (vs. €41.1 million in Q1 2016).

2017 OUTLOOK

The first-quarter performance was in line with our expectations and allows us to confirm our annual financial targets, as announced on February 13:

- **Rexel targets resuming organic growth, with sales up in the low single digits** (on a constant and same-day basis) after two years of decline;

- In addition, **Rexel targets a mid to high single-digit increase in adjusted EBITA**;

- Lastly, **Rexel targets an indebtedness ratio** (net-debt-to-EBITDA, as calculated under the Senior Credit Agreement terms) **of below 3 times at December 31, 2017**.

NB: The estimated impacts per quarter of (i) calendar effects by geography, (ii) changes in the consolidation scope and (iii) currency fluctuations (based on assumptions of average rates over the rest of the year for the Group's main currencies) are detailed in appendix 5.

CALENDAR

May 23, 2017	Annual shareholders' meeting
July 31, 2017	Second-quarter and half-year results
October 27, 2017	Third-quarter and nine-month results

FINANCIAL INFORMATION

The financial report for the period ended March 31, 2017 is available on the Group's website (www.rexel.com), in the "Regulated information" section, and has been filed with the French *Autorité des Marchés Financiers*.
A slideshow of the first-quarter 2017 results is also available on the Group's website.

ABOUT REXEL GROUP

Rexel, a leader in the professional distribution of products and services for the energy world, addresses three main markets - residential, commercial and industrial. The Group supports its customers to be at their best in running their business, by providing a broad range of sustainable and innovative products, services and solutions in the field of technical supply, automation and energy management. Rexel operates through a network of some 2,000 branches in 32 countries, with more than 27,000 employees. The Group's sales were €13.2 billion in 2016.
Rexel is listed on the Eurolist market of Euronext Paris (compartment A, ticker RXL, ISIN code FR0010451203). It is included in the following indices: SBF 120, CAC Mid 100, CAC AllTrade, CAC AllShares, FTSE EuroMid, STOXX600. Rexel is also part of the following SRI indices: FTSE4Good, STOXX® (STOXX® Global ESG Impact, STOXX® Low Carbon indices Global, Europe et EURO), Ethibel Sustainability Index Excellence Europe and Dow Jones Sustainability Index Europe, in recognition of its performance in corporate social responsibility (CSR). For more information, visit Rexel's web site at www.rexel.com

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GLOSSARY

REPORTED EBITA (EARNINGS BEFORE INTEREST, TAXES AND AMORTIZATION) is defined as operating income before amortization of intangible assets recognized upon purchase price allocation and before other income and other expenses.

ADJUSTED EBITA is defined as EBITA excluding the estimated non-recurring net impact from changes in copper-based cable prices.

EBITDA (EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION) is defined as operating income before depreciation and amortization and before other income and other expenses.

RECURRING NET INCOME is defined as net income adjusted for non-recurring copper effect, other expenses and income, non-recurring financial expenses, net of tax effect associated with the above items.

FREE CASH FLOW is defined as cash from operating activities minus net capital expenditure.

NET DEBT is defined as financial debt less cash and cash equivalents. Net debt includes debt hedge derivatives.

APPENDICES

Appendix 1: Segment reporting – Constant and adjusted basis*

** Constant and adjusted = at comparable scope of consolidation and exchange rates, excluding the non-recurring effect related to changes in copper-based cables price and before amortization of purchase price allocation.*

The non-recurring effect related to changes in copper-based cables price was, at the EBITA level:

Q1 2016	Q1 2017
(8.3)	9.4

GROUP

Constant and adjusted basis (€m)	Q1 2016	Q1 2017	Change
Sales	3,171.8	**3,323.1**	**+4.8%**
on a constant basis and same days			***+0.6%***
Gross profit	785.8	**822.5**	**+4.7%**
as a % of sales	*24.8%*	*24.8%*	*-2 bps*
Distribution & adm. expenses (incl. depreciation)	(662.2)	(687.4)	+3.8%
EBITA	123.6	**135.0**	**+9.3%**
as a % of sales	*3.9%*	*4.1%*	*17 bps*
Headcount (end of period)	27,414	**27,430**	**0.1%**

EUROPE

Constant and adjusted basis (€m)	Q1 2016	Q1 2017	Change
Sales	1,743.6	**1,828.0**	**+4.8%**
on a constant basis and same days			***+1.2%***
France	643.5	668.0	*+3.8%*
on a constant basis and same days			*+0.6%*
United Kingdom	232.3	232.2	*-0.0%*
on a constant basis and same days			*-3.2%*
Germany	189.2	205.3	*+8.5%*
on a constant basis and same days			*+3.4%*
Scandinavia	212.2	235.2	*+10.8%*
on a constant basis and same days			*+5.2%*
Gross profit	481.8	**499.3**	**+3.6%**
as a % of sales	*27.6%*	*27.3%*	*-32 bps*
Distribution & adm. expenses (incl. depreciation)	(381.8)	(395.0)	+3.5%
EBITA	100.1	**104.3**	**+4.2%**
as a % of sales	*5.7%*	*5.7%*	*-3 bps*
Headcount (end of period)	15,942	**15,746**	**-1.2%**

NORTH AMERICA

Constant and adjusted basis (€m)	Q1 2016	Q1 2017	Change
Sales	1,114.1	**1,190.5**	**+6.9%**
on a constant basis and same days			***+1.2%***
United States	868.0	945.7	*+8.9%*
on a constant basis and same days			*+2.1%*
Canada	246.1	244.8	*-0.5%*
on a constant basis and same days			*-2.1%*
Gross profit	246.4	**266.6**	**+8.2%**
as a % of sales	*22.1%*	*22.4%*	*29 bps*
Distribution & adm. expenses (incl. depreciation)	(217.6)	(232.3)	+6.8%
EBITA	28.8	**34.4**	**+19.4%**
as a % of sales	*2.6%*	*2.9%*	*30 bps*
Headcount (end of period)	8,015	**8,137**	**1.5%**

ASIA-PACIFIC

Constant and adjusted basis (€m)	Q1 2016	Q1 2017	Change
Sales	314.1	**304.6**	**-3.0%**
on a constant basis and same days			***-4.8%***
China	103.3	105.4	*+2.0%*
on a constant basis and same days			*+2.0%*
Australia	123.4	128.6	*+4.2%*
on a constant basis and same days			*+0.8%*
New Zealand	29.9	28.8	*-3.6%*
on a constant basis and same days			*-6.7%*
Gross Profit	57.6	**56.6**	**-1.8%**
as a % of sales	*18.3%*	*18.6%*	*24 bps*
Distribution & adm. expenses (incl. depreciation)	(54.8)	(58.1)	+6.0%
EBITA	2.8	**(1.5)**	**n.a**
as a % of sales	*0.9%*	*-0.5%*	*-139 bps*
Headcount (end of period)	3,201	**3,323**	**3.8%**

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Appendix 2: Consolidated financial data

Consolidated Income Statement

Reported basis (€m)	Q1 2016	Q1 2017	Change
Sales	**3,160.6**	**3,323.1**	**5.1%**
Gross profit	**773.2**	**832.3**	**7.6%**
as a % of sales	*24.5%*	*25.0%*	
Distribution & adm. expenses (excl. depreciation)	(635.9)	(662.9)	4.2%
EBITDA	**137.3**	**169.3**	**23.3%**
as a % of sales	*4.3%*	*5.1%*	
Depreciation	(23.5)	(24.9)	
EBITA	**113.8**	**144.5**	**27.0%**
as a % of sales	*3.6%*	*4.3%*	
Amortization of intangibles resulting from purchase price allocation	(3.9)	(4.9)	
Operating income bef. other inc. and exp.	**109.9**	**139.6**	**27.0%**
as a % of sales	*3.5%*	*4.2%*	
Other income and expenses	(16.9)	(9.8)	
Operating income	**93.0**	**129.8**	**39.6%**
Financial expenses (net)	(33.2)	(33.7)	
Net income (loss) before income tax	**59.7**	**96.1**	**60.9%**
Income tax	(20.9)	(33.3)	
Net income (loss)	**38.8**	**62.8**	**61.6%**

Bridge Between Operating Income Before Other Income And Other Expenses And Adjusted EBITA

in €m	Q1 2016	Q1 2017
Operating income before other income and other expenses	**109.9**	**139.6**
Change in scope of consolidation	0.8	0.0
Foreign exchange effects	0.7	0.0
Non-recurring effect related to copper	8.3	-9.4
Amortization of intangibles assets resulting from PPA	3.9	4.9
Adjusted EBITA on a constant basis	**123.6**	**135.0**

Recurring Net Income

in €m	Q1 2016	Q1 2017	Change
Net income	38.8	**62.8**	**+61.6%**
Non-recurring copper effect	8.2	**-9.4**	
Other expense & income	16.9	**9.8**	
Financial expense	0.0	**6.7**	
Tax expense	-7.2	**-2.1**	
Recurring net income	56.7	**67.7**	**+19.3%**

Sales And Profitability By Segment

Reported basis (€m)	Q1 2016	Q1 2017	Change
Sales	**3,160.6**	**3,323.1**	**+5.1%**
Europe	1,795.1	1,828.0	+1.8%
North America	1,064.8	1,190.5	+11.8%
Asia-Pacific	300.7	304.6	+1.3%
Gross profit	**773.2**	**832.3**	**+7.6%**
Europe	488.2	507.6	+4.0%
North America	230.7	268.1	+16.2%
Asia-Pacific	54.3	56.6	+4.2%
EBITA	**113.8**	**144.5**	**+27.0%**
Europe	96.1	112.3	+16.9%
North America	23.1	35.8	+54.9%
Asia-Pacific	2.7	-1.5	n.a

CONSOLIDATED BALANCE SHEET[1]

Assets (€m)	December 31, 2016	March 31, 2017
Goodwill	4,300.2	4,289.2
Intangible assets	1,109.5	1,103.2
Property, plant & equipment	282.4	277.1
Long-term investments	41.8	40.1
Deferred tax assets	128.4	110.3
Total non-current assets	**5,862.3**	**5,819.8**
Inventories	1,579.3	1,643.7
Trade receivables	2,187.3	2,278.8
Other receivables	513.1	513.9
Assets held for sale	0.3	0.3
Cash and cash equivalents	619.3	676.1
Total current assets	**4,899.3**	**5,112.7**
Total assets	**10,761.6**	**10,932.5**

Liabilities (€m)	December 31, 2016	March 31, 2017
Total equity	**4,383.3**	**4,414.5**
Long-term debt	2,195.1	2,119.8
Deferred tax liabilities	240.0	224.2
Other non-current liabilities	423.2	429.1
Total non-current liabilities	**2,858.3**	**2,773.2**
Interest bearing debt & accrued interests	609.9	997.8
Trade payables	2,179.0	2,051.6
Other payables	731.0	695.4
Total current liabilities	**3,519.9**	**3,744.8**
Total liabilities	**6,378.3**	**6,518.0**
Total equity & liabilities	**10,761.6**	**10,932.5**

1 *Net debt includes Debt hedge derivatives for €(12.3)m at Dec. 31, 2016 and €(6.8)m at March 31, 2017. It also includes accrued interest receivables for €(0.9)m at December 31, 2016 and for €(1.3)m at March 31, 2017.*

CHANGE IN NET DEBT

€m	Q1 2016	Q1 2017
EBITDA	**137.3**	**169.3**
Other operating revenues & costs[1]	(14.2)	(21.6)
Operating cash flow	**123.1**	**147.7**
Change in working capital	(287.1)	(328.7)
Net capital expenditure, of which:	(31.0)	(25.5)
Gross capital expenditure	*(26.6)*	*(21.0)*
Disposal of fixed assets & other	*(4.4)*	*(4.5)*
Free cash flow from continuing op. before interest and tax	**(194.9)**	**(206.6)**
Net interest paid / received	(31.6)	(25.8)
Income tax paid	(20.3)	(24.2)
Free cash flow from continuing op. after interest and tax	**(246.9)**	**(256.6)**
Net financial investment	(89.4)	(1.9)
Dividends paid	(0.0)	(0.0)
Net change in equity	1.0	2.1
Other	(2.7)	(8.4)
Currency exchange variation	41.1	3.9
Decrease (increase) in net debt	**(296.9)**	**(260.9)**
Net debt at the beginning of the period	**2,198.7**	**2,172.6**
Net debt at the end of the period	**2,495.6**	**2,433.4**

1 *Includes restructuring outflows of €8.0m in Q1 2016 and €16.9m in Q1 2017*

Appendix 3: Working Capital Analysis

Constant basis	March 31, 2016	March 31, 2017
Net inventories		
as a % of sales 12 rolling months	***11.5%***	***12.2%***
as a number of days	*56.7*	*57.5*
Net trade receivables		
as a % of sales 12 rolling months	***16.3%***	***16.9%***
as a number of days	*52.2*	*52.1*
Net trade payables		
as a % of sales 12 rolling months	***14.1%***	***15.0%***
as a number of days	*61.3*	*60.2*
Trade working capital		
as a % of sales 12 rolling months	***13.8%***	***14.1%***
Total working capital		
as a % of sales 12 rolling months	***12.2%***	***12.7%***

Appendix 4: Headcount and branches by geography

FTEs at end of period comparable	31/03/17	31/12/16	31/03/16	Year-on-Year Change
Europe	**15,746**	**15,778**	**15,942**	**-1.2%**
USA	*6,071*	*5,935*	*5,917*	**2.6%**
Canada	*2,066*	*2,068*	*2,098*	**-1.5%**
North America	**8,137**	**8,003**	**8,015**	**1.5%**
Asia-Pacific	**3,323**	**3,260**	**3,201**	**3.8%**
Other	**224**	**241**	**256**	**-12.5%**
Group	**27,430**	**27,282**	**27,414**	**0.1%**

Branches comparable	31/03/17	31/12/16	31/03/16	Year-on-Year Change
Europe	**1,192**	**1,196**	**1,201**	**-0.7%**
USA	*373*	*372*	378	**-1.3%**
Canada	*189*	*188*	197	**-4.1%**
North America	**562**	**560**	**575**	**-2.3%**
Asia-Pacific	**275**	**277**	**266**	**3.4%**
Group	**2,029**	**2,033**	**2,042**	**-0.6%**

Appendix 5: Calendar, scope and change effects on sales

Based on the assumption of the following average exchange rates:

1 €	=	1.10	USD
1 €	=	1.50	CAD
1 €	=	1.50	AUD
1 €	=	0.85	GBP

and based on acquisitions to date, 2016 sales should take into account the following estimated impacts to be comparable to 2017 :

	Q1 actual	Q2 est	Q3 est	Q4 est	FY est
Scope effect at Group level	**-26.0**	**-11.3**	**0.0**	**0.0**	**-37.2**
as% of 2016 sales	*-0.8%*	*-0.3%*	*0.0%*	*0.0%*	*-0.3%*
Currency effect at Group level*	**37.2**	**-0.4**	**4.9**	**-27.9**	**13.8**
as% of 2016 sales	*1.2%*	*0.0%*	*0.2%*	*-0.8%*	*0.1%*
Calendar effect at Group level	**4.1%**	**-2.6%**	**-1.0%**	**-2.5%**	**-0.6%**
Europe	3.6%	-4.3%	-1.6%	-0.6%	-0.7%
USA	*6.8%*	*0.2%*	*-0.2%*	*-7.4%*	*-0.4%*
Canada	*1.6%*	*-1.6%*	*-1.5%*	*0.0%*	*-0.4%*
North America	5.6%	-0.2%	-0.5%	-6.0%	-0.4%
Asia	*0.4%*	*-1.6%*	*0.6%*	*-0.8%*	*-0.4%*
Pacific	*3.3%*	*-3.1%*	*-1.4%*	*-0.1%*	*-0.4%*
Asia-Pacific	1.7%	-2.3%	-0.4%	-0.4%	-0.4%

DISCLAIMER

The Group is exposed to fluctuations in copper prices in connection with its distribution of cable products. Cables accounted for approximately 14% of the Group's sales and copper accounts for approximately 60% of the composition of cables. This exposure is indirect since cable prices also reflect copper suppliers' commercial policies and the competitive environment in the Group's markets. Changes in copper prices have an estimated so-called "recurring" effect and an estimated so called "non-recurring" effect on the Group's performance assessed as part of the monthly internal reporting process of the Rexel Group: i) the recurring effect related to the change in copper-based cable prices corresponds to the change in value of the copper part included in the sales price of cables from one period to another. This effect mainly relates to the Group's sales; ii) the non-recurring effect related to the change in copper-based cables prices corresponds to the effect of copper price variations on the sales price of cables between the time they are purchased and the time they are sold, until all such inventory has been sold (direct effect on gross profit). Practically, the non-recurring effect on gross profit is determined by comparing the historical purchase price for copper-based cable and the supplier price effective at the date of the sale of the cables by the Rexel Group. Additionally, the non-recurring effect on EBITA corresponds to the non-recurring effect on gross profit, which may be offset, when appropriate, by the non-recurring portion of changes in the distribution and administrative expenses.

The impact of these two effects is assessed for as much of the Group's total cable sales as possible, over each period. Group procedures require that entities that do not have the information systems capable of such exhaustive calculations to estimate these effects based on a sample representing at least 70% of the sales in the period. The results are then extrapolated to all cables sold during the period for that entity. Considering the sales covered, the Rexel Group considers such estimates of the impact of the two effects to be reasonable.

This document may contain statements of future expectations and other forward-looking statements. By their nature, they are subject to numerous risks and uncertainties, including those described in the Document de Référence registered with the French Autorité des Marchés Financiers (AMF) on March 31, 2017 under number D 17-0272. These forward-looking statements are not guarantees of Rexel's future performance, Rexel's actual results of operations, financial condition and liquidity as well as development of the industry in which Rexel operates may differ materially from those made in or suggested by the forward-looking statements contained in this release. The forward-looking statements contained in this communication speak only as of the date of this communication and Rexel does not undertake, unless required by law or regulation, to update any of the forward-looking statements after this date to conform such statements to actual results to reflect the occurrence of anticipated results or otherwise.

The market and industry data and forecasts included in this document were obtained from internal surveys, estimates, experts and studies, where appropriate, as well as external market research, publicly available information and industry publications. Rexel, its affiliates, directors, officers, advisors and employees have not independently verified the accuracy of any such market and industry data and forecasts and make no representations or warranties in relation thereto. Such data and forecasts are included herein for information purposes only.

This document includes only summary information and must be read in conjunction with Rexel's Document de Référence registered with the AMF on March 31, 2017 under number D 17-0272, as well as the consolidated financial statements and activity report for the 2016 fiscal year which may be obtained from Rexel's website (www.rexel.com).